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August 19, 2022

To: All Railroad Members Working for Railroads Covered Under National Bargaining Dear Sisters and Brothers:

As you are aware, for nearly three years the IBEW has been engaged in negotiations with the National Carriers Conference Committee (NCCC), the bargaining group of the nation's freight railroads, to secure a new national freight agreement. This process has been slow-moving and tumultuous, and slowed further by the COVID-19 pandemic which put negotiating sessions on hold for several months.

The IBEW negotiated as part of the Coordinated Bargaining Coalition (CBC), alongside the American Train Dispatchers Association (ATDA); the Brotherhood of Locomotive Engineers and Trainmen / Teamsters Rail Conference (BLET); the Brotherhood of Railroad Signalmen (BRS); the International Association of Machinists (IAM); the International Brotherhood of Boilermakers (IBB); ; the National Conference of Firemen & Oilers/SEIU (NCF0); the Transport Workers Union of America (TWU); the Transportation Communications Union / IAM (TCU), including TCU's Brotherhood Railway Carmen Division (BRC); and the Transportation Division of the International Association of Sheet Metal, Air, Rail, and Transportation Workers (SMART-TD).

With the NCCC continuing to push proposals that fall short of the cost of living, in January 2022 the CBC declared an impasse and requested the National Mediation Board (NMB) assist with mediation to refocus negotiations on addressing the needs of our members.

Mediation began in February 2022 with the CBC making it clear that the coalition would not accept any type of concessionary agreement. Every proposal put forth by the NCCC contained concessions on work rules and health and welfare. Ultimately, mediation failed and on June 14, 2022, the NMB provided the parties with a proffer of arbitration, which was quickly declined by all CBC organizations. On June 17, 2022, the NMB released all parties from mediation, initiating the first of several 30-day cooling off periods dictated by the Railway Labor Act (RLA). These cooling off periods are a "status quo" interval where working conditions and rate of pay cannot be changed by the carriers, and the unions cannot strike.

Prior to the expiration of that cooling off period and in accordance with the RLA, President Biden established a Presidential Emergency Board (PEB) to investigate the disputes between the NCCC and the CBC on July 18, 2022, which began a second cooling off period.

The two rail labor organizations bargaining outside of the CBC — the Brotherhood of Maintenance of Way Employees Division / IBT (BMWED) and SMART Mechanical Department, having also been released from mediation, were assigned to take part in the same PEB. For the first time in history, all rail labor, collectively referred to as the United Rail Unions (URU), was represented together before one PEB.



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Presidential Emergency Board No. 250 commenced hearings on Sunday, July 24, with arguments and testimony from both sides continuing through Thursday evening, July 28, 2022.

On August 16, 2022, Presidential Emergency Board No. 250 released its report and recommendations to the White House, which was released to the parties on August 17 by the NMB. Below is a summary of PEB 250's recommendations.

Wages

Recommendations set forth by the PEB offer a 22% general wage increase (GWI) over a five-year term; when compounded, a 24% GWI is obtained.

Effective Date	Previous Rate*	General Wage Increase	New Pay Rate
July 1, 2020	\$33.09	3.0%	\$34.08
July 1, 2021	\$34.08	3.5%	\$35.27
July 1, 2022	\$35.27	7.0%	\$37.74
July 1, 2023	\$34.74	4.0%	\$39.25
July 1, 2024	\$39.25	4.5%	\$41.02

* Rates of pay may vary slightly by carrier and position.

This represents a nearly \$8.00 per hour increase between now and the end of 2024. The PEB also recommends a \$1,000 annual "service recognition bonus" to be paid on December 1 for each of the five years of the term. The PEB also recommends full retroactive wages as has been handled in prior contracts. Under the PEB's recommendation, the service recognition bonus for 2020 and 2021 would be included in the retroactive wages.

If these recommendations are accepted as our tentative agreement and subsequently ratified, members would see an immediate 13.5% (14.1% compounded) general wage increase, which would be among the largest retroactive pay increase in recent history.

Health & Welfare

PEB 250 recommends no changes in out-of-pocket costs (co-pays, deductibles, etc) or any reductions in benefits. The following improvements to the current health and welfare plan are recommended:

- Increase the annual maximum for hearing benefits from \$600 to \$2,000,
- Remove age limits on speech therapy,
- Provide Applied Behavioral Analysis without age or dollar limits for those with autism spectrum disorders,



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- The Joint Committee which administers the Plan should meet to design and oversee an appropriate rebid process to ensure costs are competitive and not excessive.

Finally, the PEB recommends that the cap on monthly employee contributions be removed on January 1, 2023, so that monthly employee contributions equal 15% of the monthly premium, with the remaining 85% borne by the carriers.

Based on projected healthcare costing trends, the monthly contributions are projected to be:

Effective Date	Previous Rate	New Cost Share Rate	Rate Increase per year
January 1, 2023	\$228.89	\$295.00	\$66.11
January 1, 2024	\$295.00	\$308.00	\$13.00
January 1, 2025	\$308.00	\$326.00	\$16.00
January 1, 2026	\$326.00	\$366.00	\$40.00

Paid Time Off

Per PEB 250's recommendations, effective January 1, 2023, each member would receive one additional Personal Leave Day.

In conclusion, while the PEB did not recommend adding holidays, sick time, or differentials as we requested, the PEB did recommend a staggering 72% of what we proposed to the Board. Meanwhile, the NCCC received only 31% of what they wanted.

A more detailed analysis of the PEB's recommendations, along with related information can be found at the following link www.ibew.org/railroad. The full PEB report can be found on the NMB's website <http://nmb.gov/> under the "What's New" drop down menu.

The parties now have a final 30-day cooling off period to review the PEB's recommendations and determine whether they are acceptable or not. On August 17, 2022 the NCCC sent an official notice stating the railroads are prepared to meet with the rail unions and reach agreements on the PEB report without delay.

In the coming days the parties will meet to discuss the PEB's recommendations.

If a tentative agreement is reached, members should be on the lookout for further correspondence regarding a ratification vote by mail. If the parties cannot reach a tentative agreement, at the close of the current cooling off period (which could be mutually extended) the parties are free to exercise "self-help", which means that unions can strike, and carriers can implement unilateral rules changes and lock-outs.

Should any self-help action take place, the United States Congress is likely to intervene, and final resolution of the dispute would then be in the hands of Congress,



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who could impose terms different than those recommended by the PEB, although historically they have imposed the recommendations set forth by the PEB.

Thank you for your patience, cooperation, and solidarity during these trying times. If you have any questions pertaining to the agreement, please feel free to contact your general chairman or Railroad Department Director Al Russo by email to Al.Russo@ibew.org.